GOVERNMENT OF INDIA
ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2874
ANSWERED ON:02.08.2017
Cashless Transaction
Boianapalli Shri Vinod Kumar;Mani Shri Jose K.

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

Will the Minister of ELECTRONICS & INFORMATION TECHNOLOGY be pleased to state: -
(a) whether cashless (electronic) transactions are not picking up as expected post-demonetisation with e-transactions dipping by more than 29 per cent since March 2017 and if so, the details thereof and the reasons therefor;
(b) whether the Government's much hyped BHIM-Aadhaar initiative aimed at encouraging merchants to accept digital payments using customer's biometric authentication (Aadhaar) is also not performing as expected and if so, the reasons therefor;
(c) whether the cost of the authentication device is deterring small merchants from getting on to the Aadhaar based payments network and if so, the steps taken by the Government in this regard;
(d) whether Banks and the National Payments Corporation of India have asked the Ministry to increase the referral bonus on payments app BHIM (Bharat Interface for Money) since it has failed to attract consumers; and
(e) if so, the details thereof and the reaction of the Government thereto?

Answer

(a): The following is the volume of Digital transactions post- demonetisation during the period November 2016 to March 2017 alongwith the pre-demonetisation period of October 2016.

Month Total Digital Payment Transactions (In Crores)
1 Oct 2016 71.27
2 Nov 2016 83.48
3 Dec 2016 123.46
4 Jan 2017 114.96
5 Feb 2017 101.18
6 Mar 2017 119.07
7 April 2017 118.01
8 May 2017 111.45
Source: RBI and NPCI

From the above data it is apparent that the volume of digital transactions increased during November - December 2016 and have plateaued thereafter.

(b): As BHIM-Aadhaar has been launched on 14th April 2017, it is a fairly new payment service and so daily transactions are in the range of 300-400. However, it is gradually showing up-swing as illustrated below:

Period Increase in Transactions Increase in Unique Aadhaar
May vs April 2017 30% 26%
June vs May 2017 11% 2%

(c): No, Sir. The device cost does not seem to be deterring small traders from getting onto the Aadhaar-based payment system, as the device cost is one time investment, which would ensure long term convenience and transparency in the transactions for the customers and the traders.

(d) and (e): Yes, Sir. The proposal for increasing referral bonus on payments App BHIM is under examination.
****